



**SENATE SUBSTITUTE AMENDMENT 1,
TO 1995 SENATE BILL 196**

September 19, 1995 - Offered by COMMITTEE ON HEALTH, HUMAN SERVICES AND AGING.

1 **AN ACT to amend** 20.435 (4) (L), 20.435 (4) (Lm), 46.254 (1), 46.254 (2), 46.254
2 (3) (a) and 71.93 (1) (a) 3.; and **to create** 49.125 (2m), 49.125 (3), 49.195 (4m),
3 49.195 (5), 49.497 (2e) and 49.497 (2m) of the statutes; **relating to:** certain fees
4 relating to recovery of overpayments under food stamp, aid to families with
5 dependent children and medical assistance programs and making an
6 appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

7 **SECTION 1.** 20.435 (4) (L) of the statutes, as affected by 1995 Wisconsin Act 27,
8 section 877, is amended to read:
9 20.435 (4) (L) *Welfare fraud and error reduction; state operations.* From the
10 moneys received as the state's share of the recovery of overpayments and incorrect
11 payments under ss. 49.125 (2) (1), 49.195 (3), 49.497 (1) and 49.50 (6k) (c) and from
12 costs recovered under ss. 49.125 (3), 49.195 (5) and 49.497 (2m), the amounts in the
13 schedule for the department's activities to reduce error and fraud in the food stamp,
14 aid to families with dependent children and medical assistance programs.

1 **SECTION 2.** 20.435 (4) (Lm) of the statutes, as affected by 1995 Wisconsin Act
2 27, section 879, is amended to read:

3 20.435 (4) (Lm) *Welfare fraud and error reduction; local assistance.* From the
4 moneys received as the state's share of the recovery of overpayments and incorrect
5 payments under ss. 49.125 (2) (1), 49.195 (3), 49.497 (1) and 49.50 (6k) (c) and from
6 costs recovered under ss. 49.125 (3), 49.195 (5) and 49.497 (2m), all moneys not
7 appropriated under par. (L) for county and tribal activities to reduce error and fraud
8 in the food stamp, aid to families with dependent children and medical assistance
9 program.

10 **SECTION 3.** 46.254 (1) of the statutes is amended to read:

11 46.254 (1) COUNTY DEPARTMENT NOTIFICATION REQUIREMENT. If a county
12 department under s. 46.215, 46.22 or 46.23 or a governing body of a federally
13 recognized American Indian tribe or band determines that it or the department of
14 health and social services may recover an amount under s. 49.083, 49.125 (1) or (2m),
15 49.195 (3) or (4m) or 49.497 (1) or (2e), the county department or governing body shall
16 notify the department of health and social services of the determination.

17 **SECTION 4.** 46.254 (2) of the statutes is amended to read:

18 46.254 (2) DEPARTMENT CERTIFICATION. At least annually, the department shall
19 certify to the department of revenue the amounts that, based on the notifications
20 received under sub. (1) and on other information received by the department of
21 health and social services, the department has determined ~~that it may recover~~ to be
22 due under ss. 49.083, 49.125 (1) and (2m), 49.195 (3) and (4m) and 49.497 (1) and (2e),
23 except that the department may not certify an amount under this subsection unless
24 the department has met the notice requirements under sub. (3) and unless the

1 department's determination has either not been appealed or is no longer under
2 appeal.

3 **SECTION 5.** 46.254 (3) (a) of the statutes is amended to read:

4 46.254 (3) (a) Inform the person that the department intends to certify to the
5 department of revenue an amount that the department of health and social services
6 has determined to be due under s. 49.083, 49.125 (1) or (2m), 49.195 (3) or (4m) or
7 49.497 (1) or (2e), for setoff from any state tax refund that may be due the person.

8 **SECTION 6.** 49.125 (2m) of the statutes is created to read:

9 49.125 (2m) A county, elected governing body of a federally recognized
10 American Indian tribe or the department may assess a fee on a person who fails to
11 comply with a plan for recovering overpayments that arise from an overissuance of
12 food coupons, if the person is no longer eligible for food stamps under the food stamp
13 program. The fee may not exceed 10% of the amount remaining to be recovered at
14 the time of the noncompliance and may not be assessed more than once annually with
15 respect to the same overpayment. The fee may be retained by the county or tribal
16 governing body only if the county or tribal governing body assesses the fee.

17 **SECTION 7.** 49.125 (3) of the statutes is created to read:

18 49.125 (3) The department may charge a county, or an elected governing body
19 of a federally recognized American Indian tribe or band, for the administrative costs
20 that are incurred by the department of health and social services and the department
21 of revenue and that are related to certifications under s. 46.254 (2) to recover
22 overpayments that arise from an overissuance of food coupons under the food stamp
23 program.

24 **SECTION 8.** 49.195 (4m) of the statutes is created to read:

1 49.195 (4m) A county, elected governing body of a federally recognized
2 American Indian tribe or the department may assess a fee on a person who fails to
3 comply with a plan for recovering overpayments made under s. 49.19, if the person
4 is no longer eligible for benefits under s. 49.19. The fee may not exceed 10% of the
5 amount remaining to be recovered at the time of the noncompliance and may not be
6 assessed more than once annually with respect to the same overpayment. The fee
7 may be retained by the county or tribal governing body only if the county or tribal
8 governing body assesses the fee.

9 **SECTION 9.** 49.195 (5) of the statutes is created to read:

10 49.195 (5) The department may charge a county, or an elected governing body
11 of a federally recognized American Indian tribe or band, for the administrative costs
12 that are incurred by the department of health and social services and the department
13 of revenue and that are related to certifications under s. 46.254 (2) to recover
14 overpayments made under s. 49.19.

15 **SECTION 10.** 49.497 (2e) of the statutes is created to read:

16 49.497 (2e) A county, elected governing body of a federally recognized
17 American Indian tribe or the department may assess a fee on a person who fails to
18 comply with a plan for recovering benefits distributed under s. 49.46, 49.468 or 49.47,
19 if the person is no longer eligible for benefits under those sections. The fee may not
20 exceed 10% of the amount remaining to be recovered at the time of the noncompliance
21 and may not be assessed more than once annually with respect to the same
22 overpayment. The fee may be retained by the county or tribal governing body only
23 if the county or tribal governing body assesses the fee.

24 **SECTION 11.** 49.497 (2m) of the statutes is created to read:

